

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the November 17, 2017 regular business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Development Board  
Summary Minutes of the Regular Business Meeting  
Franklin County Extension Office  
November 17, 2017**

**Call to Order**

Commissioner Quarles, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:12 a.m. (EST).

**Roll Call**

The following members were present: Commissioner Quarles, Dr. Kirk Pomper (designee for KSU President Chirstopher Brown), Dean Nancy M. Cox, Stewart Hughes, Sarah Butler (designee for Secretary Terry Gill), Bobby Foree, Pat Henderson, Wayne Hunt, Jim Mahan, Wayne Mattingly, Dr. Gordon Jones, Al Pedigo and Katie Moyer.

Members absent: Governor Matt Bevin, Fritz Giesecke, and Richard Warner.

**Notification of Media**

Commissioner Quarles received verification from Marielle Manning, Public Affairs Manager, that the media had been notified of the KADB monthly meeting.

**Welcome**

Commissioner Quarles welcomed everyone to the meeting.

Commissioner Quarles commented on the recent trade initiative to allow horse exports to China.

Commissioner Quarles mentioned collaboration between the KDA and FBI in catching a crime syndicate that was placing credit card skimmers at gas stations.

Commissioner Quarles stated that applications for KDA's Industrial Hemp Program were due on November 15.

Commissioner Quarles mentioned the KDA summer internship applications currently being accepted and asked board members to spread the word, as applications are due December 8.

Commissioner Quarles commented on the new FFA Eastern Regional Vice President, Gracie Furnish, who is from Kentucky.

Commissioner Quarles introduced Rep. Melinda Prunty, who addressed the board and commented on agriculture in her district.

Commissioner Quarles introduced Brian Lacefield, Executive Director for the USDA Kentucky Farm Service Agency (FSA). Mr. Lacefield addressed the board and thanked them for their work.

### **Approval of Minutes**

Commissioner Quarles entertained a motion to approve the minutes of the October 20, 2017 board meeting.

Mr. Hunt moved to approve the minutes, with changes; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous.

### **Executive Director's Report**

Commissioner Quarles yielded the floor to Warren Beeler, Executive Director, to report to the board.

Mr. Beeler called on Aleta Botts, Executive Director, KCARD, to update the board on the activities of the organization.

Mr. Beeler called on Becky Thompson, Director, Kentucky Beef Network (KBN), to introduce Cody Burke as KBN intern and former FFA State Officer.

Mr. Beeler called on Dr. Chad Lee, Executive Director, UK Grain and Forage Center of Excellence, to update the board on the activities of the organization.

Mr. Beeler directed the board's attention to the November Beeler Report (*on file*).

Mr. Beeler updated the board on his activities since the October 20, 2017 board meeting.

Mr. Henderson commented that Mr. Beeler received the 2017 Harold Workman Award.

### **Deputy Executive Director's Report**

Commissioner Quarles yielded the floor to Bill McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey directed the board's attention to the KBA PEP report from Ms. Gardner that shows the value of radio & TV commercials this year (*on file*).

Mr. McCloskey directed the board's attention to the GOAP financial report as of October 24, 2017 (*on file*).

Mr. McCloskey directed the board's attention to the county account balances report as of October 23, 2017 (*on file*).

Mr. McCloskey reviewed the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (*on file*) as of October 31, 2017.

Mr. Hughes moved to accept the KAFC Financial Report; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous.

### **Recipient Review Committee Reports**

Commissioner Quarles called on Mr. Henderson to deliver the Kentucky Dairy Development Council (KDDC) Recipient Review Committee report.

Mr. Henderson reported that the committee met at 9:00 a.m. at the Governor's Office of Agricultural Policy on Thursday, November 16, 2017, to discuss KDDC benchmarks, goals, and objectives met in 2017.

Mr. Hunt commented on the relationship between dairy farms and agricultural water quality.

Mr. Mattingly moved to approve the committee report, as presented; Ms. Butler seconded the motion.

VOTE: Motion Passed; Unanimous.

Commissioner Quarles called on Mr. Hughes to deliver the Kentucky Beef Network (KBN) Recipient Review Committee report.

Mr. Hughes reported that the committee met at 2:00 p.m. at the Governor's Office of Agricultural Policy on Thursday, November 16, 2017, to discuss KBN benchmarks, goals and objectives met in 2017.

In response to a question from Mr. Mattingly, Becky Thompson, Director, Kentucky Beef Network, clarified the seven field associates reach all parts of the state over the course of the year.

Responding to a question from Mr. Pedigo, GOAP staff clarified the 2018 BQCA Program is a combination of the Cattle Handling and Care Program and the Beef Quality Assurance Program.

In response to a question from Mr. Mattingly, Ms. Thomson stated the videos are produced in partnership with UK and the changes in 2018 expenses are tied to video production.

Dr. Jones moved to approve the committee report, as presented; Mr. Henderson seconded the motion.

VOTE: Motion Passed; Unanimous.

## **Old Business**

### **Memo Action Items**

Commissioner Quarles called on Bill McCloskey to present the following memo action items:

#### **2018 Farmers Market Project Guidelines**

Mr. McCloskey presented a memorandum (*on file*) from Ms. Forte, regarding the 2018 Farmers Market Guidelines for reauthorization.

Mr. Pedigo moved to approve the request, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

#### **2018 Garden Project Guidelines**

Mr. McCloskey presented a memorandum (*on file*) from Ms. Forte, regarding the 2018 Community Garden Project Guidelines for reauthorization.

Mr. Hughes moved to approve the request, as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

#### **2018 CAIP Universal Producer Application**

Mr. McCloskey presented a memorandum (*on file*) regarding the 2018 CAIP Universal Producer Application.

Mr. Pedigo asked for clarification on producer questions in the CAIP Producer Application. Mr. Pedigo asked that question 19 be stricken, reducing total score to 135.

Mr. Pedigo asked for clarification on the project location guidelines for the cost-share reimbursement. After clarification, Mr. Pedigo asked that the "Project Location" language in Section B of the "Producer Guidelines and Responsibilities" be removed.

Mr. Hughes asked for clarification of cost-reimbursement on farms that are located on multiple counties.

Mr. Pedigo moved to approve the request, with the above modifications; Mr. Henderson seconded the motion.

VOTE: Motion Passed; with dissent.

### **2018 CAIP Standard Guidelines**

Mr. McCloskey presented a memorandum (*on file*) regarding the 2018 CAIP Standard Guidelines.

Mr. Foree moved to approve the request, with the removal VI. B.2. "Project Location"; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

### **2018 Next Generation Beginning Farmer Program Universal Producer Application**

Mr. McCloskey presented a memorandum (*on file*) regarding the 2018 Next Generation Beginning Farmer Program Universal Producer Application.

There was discussion regarding multiple sections of the Next Generation Beginning Farmer Program Universal Producer Application.

Mr. Foree moved to table the discussion, Mr. Henderson seconded the motion.

VOTE: Motion Passed; Unanimous.

### **2018 Youth Agricultural Incentives Program Universal Youth Application**

Mr. McCloskey presented a memorandum (*on file*) regarding the 2018 Youth Agricultural Incentives Program Universal Youth Application.

Mr. Hughes moved to approve the request, as presented; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous.

### **New Business**

Commissioner Quarles yielded the chair to Keith Rogers (designee for Commissioner Quarles) at 11:31 a.m.

### **New Applications for Referral<sup>1</sup>**

Mr. Rogers called on Mr. McCloskey to present new applications for referral.

Mr. McCloskey referenced five (5) new applications for referral.

Dr. Jones moved to refer the submitted applications to the appropriate committees; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

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<sup>1</sup> A detailed list of New Applications for Referral is attached as Appendix A.

## **Programs Recommended for Approval<sup>2</sup>**

Mr. Rogers called on Mr. McCloskey to present programs recommended for approval.

Mr. McCloskey referenced three (3) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$398,417; two (2) Deceased Farm Animal Removal Program (DAR) applications totaling \$15,000; one (1) Next Generation Beginning Farmer Pilot Program application totaling \$30,000; and two (2) Youth Cost-Share Program applications totaling \$17,000.

Mr. Mattingly moved to approve the program recommendations, as presented; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous.

## **Requested Program Amendments<sup>3</sup>**

Mr. Rogers called on Mr. McCloskey to present requested program amendments.

Mr. McCloskey referenced six (6) requested program amendments seeking additional county funds totaling \$169,957.

Mr. Hunt moved to approve the program amendments as presented; Mr. Hughes seconded the motion.

VOTE: Motion Passed; Unanimous.

## **Project Recommendations for Funding**

Mr. Rogers called on Mr. McCloskey, Ms. Osterman, and Mr. Doan to present the following recommendations for funding:

### **A2017-0181          Kentucky Nutrition Service, Inc.**

Mr. McCloskey referenced the above application from Kentucky Nutrition Service, Inc. requesting \$585,000 in State funds to build a new facility, purchase software and mineral blending equipment.

The Blue Application Review Committee recommended funding the request for up to \$500,000 of the total revised budget in State Funds as a loan, subject to terms and conditions.

In response to a question from Mr. Mattingly, GOAP staff clarified that the project does not fit in the KAFRC Agricultural Processing Loan Program guidelines.

Mr. Rogers stated that this project is a supply entity and not a producer.

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<sup>2</sup> A detailed list of projects funded under the County Agricultural Investment Program and Shared-Use Equipment Program is attached as Appendix B.

<sup>3</sup> A detailed list of Requested Program Amendments is attached as Appendix C.

In response to a question from Mr. Foree, GOAP staff stated there is personal guarantee on the project, through the participating lender.

Responding to a question from Mr. Mattingly, GOAP staff clarified that construction has not started on the project and funds would be disbursed after project completion.

Mr. Pedigo moved to approve the committee recommendation; Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous

**A2017-0185            Beef & Bacon Custom Processing LLC**

Ms. Osterman referenced the above application from Beef & Bacon Custom Processing LLC requesting \$2,546 in Daviess County funds and \$2,457 in McLean County funds and \$4,912 in State funds for upgrading its processing facility to meet federal standards.

The Blue Application Review Committee recommended funding the request for up to \$9,825 in State and County funds, subject to terms and conditions.

Mr. Hughes moved to approve the committee recommendation; Ms. Butler seconded the motion.

VOTE: Motion Passed; Mr. Mattingly abstained.

**A2017-0187            Pulaski County Cattlemen's Association, Inc.**

Mr. McCloskey referenced the above application from Pulaski County Cattlemen's Association requesting \$2,502 in Pulaski County funds to purchase a cargo trailer for marketing and promotion.

The Blue Application Review Committee recommended funding the request for up to \$2,502 in Pulaski County funds, subject to terms and conditions.

Mr. Mahan moved to approve the committee recommendation; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

**A2017-0188            Pulaski County Conservation District**

Ms. Osterman referenced the above application from the Pulaski County Conservation District, requesting \$1,645 in Pulaski County funds to purchase grain rescue equipment.

The Blue Application Review Committee recommended funding the request for up to \$1,645 in Pulaski County funds, subject to terms and conditions.

Mr. Mattingly moved to approve the committee recommendation; Mr. Henderson seconded the motion.

VOTE: Motion Passed; Unanimous.

**A2017-0198 Vances Mills Farms, Inc.**

Mr. McCloskey referenced the above application from Vances Mills Farms, Inc. requesting \$5,399 in Simpson County funds and \$2,870 in State funds to conduct a feasibility study for a conventional and organic livestock processing facility in the region.

The Blue Application Review Committee recommended funding the request for up to \$5,399 in Simpson County funds and \$2,870 in State funds, subject to terms and conditions.

Mr. Foree moved to approve the committee recommendation; Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous.

**A2017- 0200 St. Mary School**

Ms. Osterman referenced the above application from St. Mary School requesting \$1,799 in Bourbon County funds for a school greenhouse.

The Blue Application Review Committee recommended funding the request for up to \$1,799 in Bourbon County funds, subject to terms and conditions.

Mr. Mahan moved to approve the committee recommendation; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

**A2017- 0204 CCGJ, LLC dba Versailles Brewing Company Restaurant, LLC**

Mr. Doan referenced the above application from CCGJ, LLC dba Versailles Brewing Company Restaurant requesting \$50,000 in Woodford County funds to purchase equipment for a restaurant serving locally grown products.

In response to a question from Mr. Mattingly, GOAP staff stated that applicant shall submit an annual report detailing the names of Kentucky farmers and the types and amounts of Kentucky products purchased.

Mr. Hunt suggested year end reporting for projects that have county money.

Responding to a question from Mr. Foree, GOAP staff stated that the KADB has gone against county recommendation in the past.

Mr. Hughes asked if the board could approve the project with some accountability from the county council. Mr. Doan responded that the legal agreement is between the KADB and County Council.



The Blue Application Review Committee recommended funding the request for up to \$50,000 in Woodford County funds, subject to terms and conditions.

Mr. Hunt moved to approve the committee recommendation, as presented; Mr. Hughes seconded the motion.

VOTE: Motion Passed; Unanimous.

### Pending Applications

Mr. McCloskey referenced the following two (2) pending applications:

A2017-0146	Pumpkin Vine Creek, LLC
A2017-0173	Two Rivers Fisheries, Inc.

No action necessary on pending applications.

### Closing Remarks

Commissioner Quarles stated that the Blue Application Review Committee will meet a half hour after adjournment in Room E/F.

Representative Prunty commented on food donation.

Commissioner Quarles stated that the next KADB meeting is on Friday, December 15, 2017 beginning at 10:00 a.m. at the Franklin County Extension Office, 101 Lakeview Court, Frankfort, KY 40601.

### Adjournment

Commissioner Quarles entertained a motion to adjourn.

Mr. Mahan moved to adjourn the November KADB meeting; Mr. Mattingly seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 12:02 p.m. (EST).

APPROVED DATE: 12-15-2017

PRESIDING OFFICER: Ben Laub

BOARD SECRETARY: Marielle Manning  
Marielle Manning